

(c) For purposes of subdivision (a)(2) of this section, "qualified United States financial institution" means an institution that:

- (1) Is organized or, in the case of a United States office of a foreign banking organization, licensed under the laws of the United States or any of its states;
- (2) Is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks and trust companies; and
- (3) Has been determined by either the Commissioner or the Securities Valuation Office of the NAIC to meet the standards of financial condition and standing considered necessary and appropriate to regulate the quality of financial institutions who serve as trustees."

SECTION 26. G.S. 58-8-20(e) reads as rewritten:

"(e) Guaranty capital may be reduced or retired by vote of the policyholders of the company and the assent of the Commissioner, if the net assets of the company above its reserve and all other claims and obligations, exclusive of guaranty capital, for two years immediately preceding and including the date of its last annual statement, is not less than twenty-five percent (25%) of the guaranty capital. ~~Due~~ Written notice of ~~such~~ the proposed action on the part of the company must be mailed to each policyholder of the company not less than 30 days before the meeting when the action may be taken, and must also be advertised in two papers of general circulation, approved by the Commissioner, not less than three times a week for a period of not less than four weeks before ~~such~~ the meeting. The written notification to policyholders shall include a proxy statement to allow policyholders to vote on the proposed action without personal attendance at the meeting, and the Commissioner shall approve both the written notification and the proxy statement. An affirmative vote of at least two-thirds of the policyholders voting in person or by proxy is required to adopt the proposed action."

SECTION 27. Sections 1, 4, 6, 11, 12, 14 through 16, 18, 19, 21, and 23 through 25 of this act become effective October 1, 2005. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of July, 2005.

Became law upon approval of the Governor at 2:02 p.m. on the 20th day of July, 2005.

H.B. 85

Session Law 2005-216

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE THE FOLLOWING SPECIAL REGISTRATION PLATES: AIR MEDAL RECIPIENT, ALPHA PHI ALPHA FRATERNITY, ARC OF NORTH CAROLINA, AUTISM SOCIETY OF NORTH CAROLINA, BUDDY PELLETIER SURFING FOUNDATION, COASTAL CONSERVATION ASSOCIATION, COLD WAR VETERAN, CORVETTE CLUB, GUILFORD BATTLEGROUND COMPANY, MARINE CORPS LEAGUE, NATIONAL MULTIPLE SCLEROSIS SOCIETY, NATIONAL WILD TURKEY FEDERATION, NC TROUT UNLIMITED, NORTH CAROLINA AQUARIUMS, NORTH CAROLINA LIBRARIES, NORTH CAROLINA MUSEUM OF NATURAL SCIENCES, NORTH CAROLINA WILDLIFE HABITAT FOUNDATION, OPERATION ENDURING FREEDOM,